

December 20, 2010

File: IGS03-02

Charles Steede
TEI Construction Services, Inc.
7870 Schillinger Park West
Mobile, AL 36608

Dear Mr. Steede:

Additional Scope for Contract 04-45616
Removal of 4th Layer in Secondary Air Preheaters

This letter is to advise TEI that additional work, not described in the above referenced contract, will be required to complete the air heater change out. Unless advised otherwise, we will work with Mr. Darrell Steede, TEI Superintendent for the Intermountain Unit 2 outage, to negotiate a reasonable addition to the contract for this work.

Alstom Air Preheater Company recently informed IPSC that the Secondary Air Heaters have a fourth element layer that was installed in 1988, shortly after construction was complete. It appears that our documentation was never updated to reflect this addition. The existing scope within Contract 04-45616 describes 3 layers of existing element. The 4th layer is 8" in depth and will need to be removed in accordance with the T&M rates supplied in your proposal.

Sincerely,

George W. Cross
President and Chief Operations Officer

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cc: Darrell Steede, TEI

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